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By Jessica Holzer, Of DOW JONES NEWSWIRES

WASHINGTON -(Dow Jones)- A landmark U.S. Supreme Court ruling affirming the right of states to sue national banks for violating certain state laws would be adopted under a measure being pushed by two Democrats in the House of Representatives.

The measure could be offered by Reps. Melissa Bean of Illinois and John Adler of New Jersey as an amendment to legislation creating a federal agency to protect consumers. Debate on that bill will begin in the House Financial Services Committee Wednesday afternoon, with a panel vote on the bill expected as soon as Thursday.

States won't be hindered from investigating violations of state or federal consumer laws, enforcing those laws or recovering damages on behalf of state residents, according to a copy of the amendment seen by Dow Jones Newswires. States would have to consult with national bank regulators before taking such measures, however.

The amendment would adopt the court ruling in *Cuomo v. Clearing House Association*. In that case, the high court affirmed that states may sue national banks for violating state laws that aren't in conflict with federal laws as long as those actions don't encroach on the federal banking regulator.

The amendment would also allow state attorneys general and regulators to sue national banks or thrifts for violating the rules of the new consumer agency as long as they notified the agency in advance.

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